

Finance Monitoring Report – August 2022/23

To: Adults and Health Committee

Meeting Date: 5 October 2022

From: Executive Director of People Services
Director of Public Health
Chief Finance Officer

Electoral division(s): All

Key decision: No

Forward Plan ref: N/A

Outcome: The committee should have considered the financial position of services within its remit as at the end of August 2022 and noted decisions being taken by other committees that relate to Adults and Public Health budgets..

Recommendation: Adults and Health Committee is recommended to:

review and comment on the relevant sections of the People and Communities and Public Health Finance Monitoring Report as at the end of August 2022.

Officer contact:

Name: Justine Hartley
Post: Strategic Finance Manager
Email: justine.hartley@cambridgeshire.gov.uk
Tel: 07944 509197

Member contacts:

Names: Cllr Richard Howitt / Cllr Susan van de Ven
Post: Chair/Vice-Chair
Email: Richard.howitt@cambridgeshire.gov.uk
Susanvanden5@gmail.com
Tel: 01223 706398

1. Background

- 1.1 Finance Monitoring Reports (FMR) are produced monthly, except for April, by all services. They report on a range of financial information to enable a view of each service's financial position to be taken.
- 1.2 Budgets for services are agreed by Full Council in the business plan in February of each year and can be amended by budget virements. In particular, the FMR provides a revenue budget forecast showing the current projection of whether services will be over- or under-spent for the year against those budgets.
- 1.3 The presentation of the FMR enables members to review and comment on the financial position of services within the committee's remit.
- 1.4 Generally, the FMR forecasts explain the overall financial position of each service and the key drivers of any budget variance, rather than explaining changes in forecast month-by-month.
- 1.5 The contents page of the FMR shows the key sections of the report. In reviewing the financial position of services, members of this committee may wish to focus on these sections:
 - Section 1 – providing a summary table for services that are the responsibility of this committee and setting out the significant financial issues (replicated below).
 - Section 5 – the key activity data for Adult Services provides information about service-user numbers and unit costs, which are principle drivers of the financial position; and
 - Appendices 1-3 – these set out the detailed financial position by service and provide a detailed commentary for services projecting a significant variance from budget.
- 1.6 The FMR presented to this Committee and included at Appendix 1 covers People and Communities and Public Health. The budget headings in the FMR that are within the remit of this committee are set out in Appendix 2, but broadly are those within Adults & Safeguarding, Adults Commissioning, and Public Health.

2. Main Issues

- 2.1 The FMR provides summaries and detailed explanations of the financial position of Adults and Public Health services. At the end of August, Adults and Safeguarding (including Adults Commissioning) is forecasting an underspend of £226k (0.1%); and Public Health (excl Children's Health) is forecasting an underspend of £186k (0.6%) for 2022/23:

Table 1: Budget and forecast position summary at end of August 2022

Directorate	Budget 2022/23 £000	Actual August 2022 £000	Forecast Outturn Variance £000
Adults & Safeguarding	186,974	80,011	-426
Adults Commissioning (including Local Assistance Scheme)	18,794	6,364	200
Public Health (excl. Children's Health)	30,703	-4,411	-186
Total Expenditure	236,471	81,965	-413
Grant Funding (including Improved Better Care Fund, Public Health Grant etc.)	-47,992	-19,273	10
Total	188,479	62,692	-403

2.2 For ease, the main summary sections of the FMR are replicated below in section 2.3.

2.3 Taken from sections 1.4 and 1.5 of the August FMR:

Adults

- 2.3.1 The financial position of this service is considerably uncertain. Care providers are continuing to report cost pressures related to both workforce issues and the current cost of living rises. These are putting pressure on uplift budgets across all care types. In addition, the position of the care market, particularly related to workforce issues, is making some placements more difficult to source, particularly at the more complex end of provision.
- 2.3.2 Hospital Discharge systems continue to be pressured. The medium-term recovery of clients assessed as having primary health needs upon hospital discharge can return individuals to social care funding streams. In addition, the impact of delayed health care treatments such as operations, will also affect individual needs and health inequalities negatively. It is anticipated that demand for services will increase as we complete more annual reviews, many of which are outstanding due to the pandemic.
- 2.3.3 Financial pressures in some areas are being offset by demand continuing below expectations in other areas. In particular, it is likely that demand for residential care for Older People will remain at below pandemic levels for some time to come. Work is ongoing to assess future demand, cost pressures and the financial implications of the government's social care reforms which are due to be implemented in October 2023. This work will feed into business planning for 2023-34 and beyond. If demand increases above current expectations within the current financial year, we have provision to offset the costs of this in the Adult's risk reserve which currently stands at £4.7m.
- 2.3.4 In line with the social care reform agenda the Council is currently undertaking "fair cost of care" exercises with both homecare and care home providers. It is anticipated that the outcomes of these exercises nationwide will be a gap for some Councils between what is currently paid and the newly assessed "fair cost of care". Whilst we have some funding from government for 2022/23 to start to close this gap, there may well be a pressure to be addressed over the coming years to reach a point where care providers are paid the "fair cost of care".
- 2.3.5 The social care reforms are also expected to require additional social care and financial assessments staff within the Council to deal with the increased number of assessments the reforms will generate. Recruitment to these posts will be challenging against a backdrop of

the current high level of vacant posts, current recruitment difficulties and a national shortage of staff experienced in these roles.

Public Health

2.3.6 The Public Health Directorate is funded wholly by ringfenced grants, mainly the Public Health Grant. The work of the Directorate was severely impacted by the pandemic, as capacity was re-directed to outbreak management, testing, and infection control work. The majority of the pandemic work has now come to an end and the Directorate is focussed on returning business as usual public health activity to full capacity as soon as possible and addressing issues arising from the pandemic which have impacted on the health of the County's population.

2.3.7 At the end of August, the Public Health Directorate is forecasting a small underspend of £176k (0.4%). However, there are continuing risks to this position:

- i) much of the Directorate's spend is contracts with, or payments to, the NHS for specific work. The NHS re-focus on the pandemic response and vaccination reduced activity-driven costs to the PH budget throughout 2020/21 and 2021/22. The NHS continues to be under pressure and it may take some time for activity levels to return to pre pandemic levels;
- ii) the unprecedented demand for Public Health staff across the country has meant recruitment has been very difficult through the pandemic resulting in underspends on staffing budgets. This position may continue through 2022/23, although appointments are now starting to be made.
- iii) recruitment challenges are reflected in our provider services which has affected their ability to deliver consistently.

2.3.8 Detailed financial information for Public Health is contained in Appendix 2, with Appendix 3 providing a narrative from those services with a significant variance against budget.

2.4 Information on decisions being taken by other committees

Strategy and Resources Committee

2.4.1 The July 2022 Integrated Finance Monitoring Report (IFMR) is to be considered at the next Strategy and Resources (S&R) Committee. The IFMR report includes a recommendation for the drawdown of up to £790k from the Adults risk reserve, with the agreement of the Section 151 Officer and in consultation with the Chair & Vice Chair of S&R committee, to fund the first stage of implementation of adult social care reform. The relevant wording from section 3 of the IFMR report is replicated below for information:

Social Care Reforms Implementation

2.4.2 In September 2021, the government set out its national planned reforms to social care. This included changes to social care charging both increasing the support to those who contribute towards care costs and a lifetime cap on the amount anyone would have to pay for social care, alongside changes to the amount local authorities would need to pay social care providers.

2.4.3 The cost of implementing these changes locally are expected to be considerable. We will likely face increased cost of purchasing care as more care will be bought directly by the Council. The current assumption is this cost will be met through increased government funding. All local authorities are currently participating in an exercise to assess the cost of implementing this part of the proposal and there is concern from the sector that the

indicative amounts allocated nationally will be substantially insufficient. There will also be costs to implement the reforms locally, which will include IT and digital solutions (for interacting with those we care for, their families and care providers), business analyst and change capacity, project management resource, finance capacity and social work policy & practice. Soon thereafter and more substantially it will also likely require additional social worker and financial assessment capacity on an ongoing basis. This is one of the largest government reforms we have faced in the last decade, and the response in terms of capacity needs to match the scale of the changes. A detailed business case has been prepared for this additional activity and scrutinised by the Council's cross-cutting revenue governance board. The business case includes redirection and reprioritisation of existing resource, detailed phasing and planning analysis, selection of appropriate options, consideration of equality, diversity, inclusion, social value and legal/statutory implications and assessment of assumptions and dependencies. Comparison to and liaison with peer and neighbouring authorities has also been undertaken.

2.4.4 The total scope of the work required is not yet confirmed, and government funding for it unclear (£100k has so far been allocated, with an as yet unknown amount in 2023/24). It is proposed that an initial allocation is made from Council resources to enable work on implementation to commence, with further phases of work plans to follow, and on the basis that any announced government funding could replace this internal funding.

2.4.5 At this stage it is proposed the Council makes available funding for the first phase of preparation and implementation activity, likely to cover the next 8 months, allocating funding up to £790k. It is proposed this is drawn down from the Adults Risk Reserve. Around half of this reserve was delegated to Adults & Health Committee to meet demand pressures, but the remainder is available for this committee to allocate. Further allocations will be considered as part of the Council's business planning process and in view of national announcements expected about the reforms. This initial allocation of £790k will enable recruitment and procurement activity to commence in order that the Council can further mobilise to deliver these important and time critical reforms.

Children and Young People's Committee

2.4.6 At its October meeting, Children and Young People's (CYP) Committee will be asked to consider and support proposals for the future recommissioning of two key contracts providing public health services for children and young people:

- i) the Healthy Schools Support Service; and
- ii) Child Weight Management services

Healthy Schools Support Service

2.4.7 Schools and education settings have a vital role in promoting pupils' physical, emotional and mental health and wellbeing. They are able to support children, young people, their families and carers to become aware of the importance of adopting healthy behaviours.

2.4.8 There is evidence that the adoption of a whole-school approach, whereby the ethos, culture and environment promotes the health, wellbeing and safety of all in the school community, enables schools to substantially contribute to efforts that address health risks. This includes building resilience in children and young people, as well as issues such as unhealthy weight, physical inactivity, substance use, sexual health, poor mental health emotional wellbeing and personal health and safety.

2.4.9 Moreover there is clear evidence that there is an association between children's health and wellbeing and educational attainment, acknowledging that when children are healthy and happy at school, they can also achieve more.

2.4.10 CYP committee are being asked to approve an extension of the current Healthy Schools contract with the current provider until March 2024; and to a review of the Healthy Schools service alongside school nursing and other school related services to identify a school-based service model that will contribute to improvements in health outcomes for children and young people.

Child Weight Management Services

2.4.11 In April 2022 the Office of Health Improvement and Disparities (OHID) based on data from the National Child Measurement Programme (NCMP) reported that the increase in child obesity prevalence in 2020 to 2021 was the largest increase recorded in the NCMP since the programme began in 2006 to 2007.

2.4.12 The report's main messages were as follows:

- Prior to 2020 to 2021 prevalence of obesity and severe obesity was high.
- In 2020 to 2021 unprecedented increases were seen in the prevalence of obesity of 4.7 percentage points in Reception boys, 4.4 percentage points in Reception girls, 5.6 percentage points in Year 6 boys and 3.3 percentage points in Year 6 girls.
- Boys, particularly in Year 6, have experienced the largest increases in obesity and severe obesity.
- The largest increases in the prevalence of obesity and severe obesity in boys and girls have occurred in the most deprived areas of England, resulting in the large and persistent disparities in child obesity having worsened.
- Disparities in obesity prevalence between ethnic groups have also increased with the ethnic groups that previously had the highest obesity prevalence, in the most part, experiencing the largest increases.
- These increases in child obesity and severe obesity prevalence in 2020 to 2021 follow the COVID-19 pandemic which resulted in school closures and other public health measures. More data is needed to know whether this is a long-term increase.

2.4.13 Strategy and Resources committee approved £350k of annual recurring funding from the Public Health grant uplift in 2022/23 to address childhood obesity.

2.4.14 CYP committee are being asked to approve a competitive procurement of Child Weight Management service with a contract duration of 3 plus 1 plus 1 years. And to delegate to the Director of Public Health, in consultation with the Chair and Vice Chair of Adults and Health committee, to award the contract up to a total value of £2.275m.

3. Alignment with corporate priorities

3.1 Communities at the heart of everything we do

The overall financial position of the P&C and Public Health directorates underpins this objective.

3.2 A good quality of life for everyone

The overall financial position of the P&C and Public Health directorates underpins this objective.

3.3 Helping our children learn, develop and live life to the full

The overall financial position of the P&C and Public Health directorates underpins this objective and the commissioning proposals referenced in this report contribute further to this priority.

3.4 Cambridgeshire: a well-connected, safe, clean, green environment

There are no implications for this priority.

3.5 Protecting and caring for those who need us

The overall financial position of the P&C and Public Health directorates underpins this objective.

4. Significant Implications

4.1 Resource Implications

The attached Finance Monitoring Report sets out the details of the overall financial position for P&C and Public Health.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

The report sets out the financial position of the Public Health Directorate

4.8 Environment and Climate Change Implications on Priority Areas

4.8.1 Implication 1: Energy efficient, low carbon buildings.

Neutral

4.8.2 Implication 2: Low carbon transport.

Neutral

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Neutral

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Neutral

4.8.5 Implication 5: Water use, availability and management:

Neutral

4.8.6 Implication 6: Air Pollution.

Neutral

4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.

Neutral

5. Source documents guidance

5.1 Source documents

Finance Monitoring Reports are produced monthly, except for April, for all of the Council's services. These are uploaded regularly to the website below.

5.2 Location

[Finance and performance reports - Cambridgeshire County Council](#)

Appendix 1: People and Communities and Public Health Finance Monitoring Report August 2022

See separate document

Appendix 2 : Budget Headings within the remit of the Adults and Health Committee

- 1 The budget headings that are the responsibility of this committee are set out below along with a brief description of the services these headings contain. The financial information set out in appendices 1 and 2 of the main FMR use these budget headings.
- 2 Adults & Safeguarding Directorate (FMR appendix 1):

Budget Heading	Description
Strategic Management - Adults	Cross-cutting services including transport and senior management. This line also includes expenditure relating to the Better Care Fund and social care grants.
Transfers of Care	Hospital based social work teams
Prevention & Early Intervention	Preventative services, particularly Reablement, Adult Early Help and Technology Enabled Care teams
Principal Social Worker, Practice and Safeguarding	Social work practice functions, mental capacity act, deprivation of liberty safeguards, and the Multi-Agency Safeguarding Hub
Autism and Adult Support	Services for people with Autism
Adults Finance Operations	Central support service managing social care payments and client contributions assessments
Head of Service	Services for people with learning disabilities (LD). This is a pooled budget with the NHS – the NHS contribution appears on the last budget line, so spend on other lines is for both health and social care.
LD - City, South and East Localities	
LD - Hunts and Fenland Localities	
LD - Young Adults Team	
In House Provider Services	
NHS Contribution to Pooled Budget	
Older People's and Physical Disabilities Services	Services for people requiring physical support, both working age adults and older people (OP).
Management and Staffing	
Older People's Services - North	
Older People's Services - South	
Physical Disabilities - North	
Physical Disabilities - South	Services relating to people with mental health needs. Most of this service is delivered by Cambridgeshire and Peterborough NHS Foundation Trust.
Mental Health Central	
Adult Mental Health Localities	
Older People Mental Health	

3 Commissioning Directorate (FMR appendix 1):

Budget Heading	Description
Strategic Management - Commissioning	Costs relating to the Commissioning Director, shared with CYP Committee.
Local Assistance Scheme	Scheme providing information, advice and one-off practical support and assistance
Central Commissioning - Adults	Discrete contracts and grants that support adult social care, such as carer advice, advocacy, housing related support and grants to day centres, as well as block domiciliary care contracts.
Integrated Community Equipment Service	Community equipment contract expenditure. Most of this budget is pooled with the NHS.
Mental Health Commissioning	Contracts relating to housing and community support for people with mental health needs.

4 The Executive Director budget heading in FMR appendix 1 contains costs relating to the executive director of P&C and is shared with other P&C committees.

5 Public Health Directorate (FMR appendix 2):

Budget Heading	Description
Drug & Alcohol Misuse	A large contract to provide drug/alcohol treatment and support, along with smaller contracts.
SH STI testing & treatment - Prescribed	Sexual health and HIV services, including prescription costs, advice services and screening.
SH Contraception - Prescribed	
SH Services Advice Prevention/Promotion - Non-Prescribed	
Integrated Lifestyle Services	Preventative and behavioural change services. Much of the spend on these lines is either part of the large Integrated Lifestyles contract or is made to GP surgeries.
Other Health Improvement	
Smoking Cessation GP & Pharmacy	
NHS Health Checks Programme - Prescribed	
Falls Prevention	Services working alongside adult social care to reduce the number of falls suffered.
General Prevention, Traveller Health	Health and preventative services relating to the Traveller community, including internal income from Cambs Skills for adult learning work.
Adult Mental Health & Community Safety	A mix of preventative and training services relating to mental health.
Public Health Strategic Management	Mostly a holding account for increases in the ringfenced Public Health Grant pending its allocation to specific budget lines.
Public Health Directorate Staffing and Running Costs	Staffing and office costs to run Public Health services
Enduring Transmission Grant	Expenditure under a pilot scheme to tackle Covid-19 transmission where rates are persistently higher than average. The pilot covers Fenland, Peterborough and South Holland but is administered by Cambridgeshire County Council.
Contain Outbreak Management Fund	Expenditure relating to the COMF grant, a large grant given over 2020/21-22 to deliver outbreak management work under the Health Protection Board.